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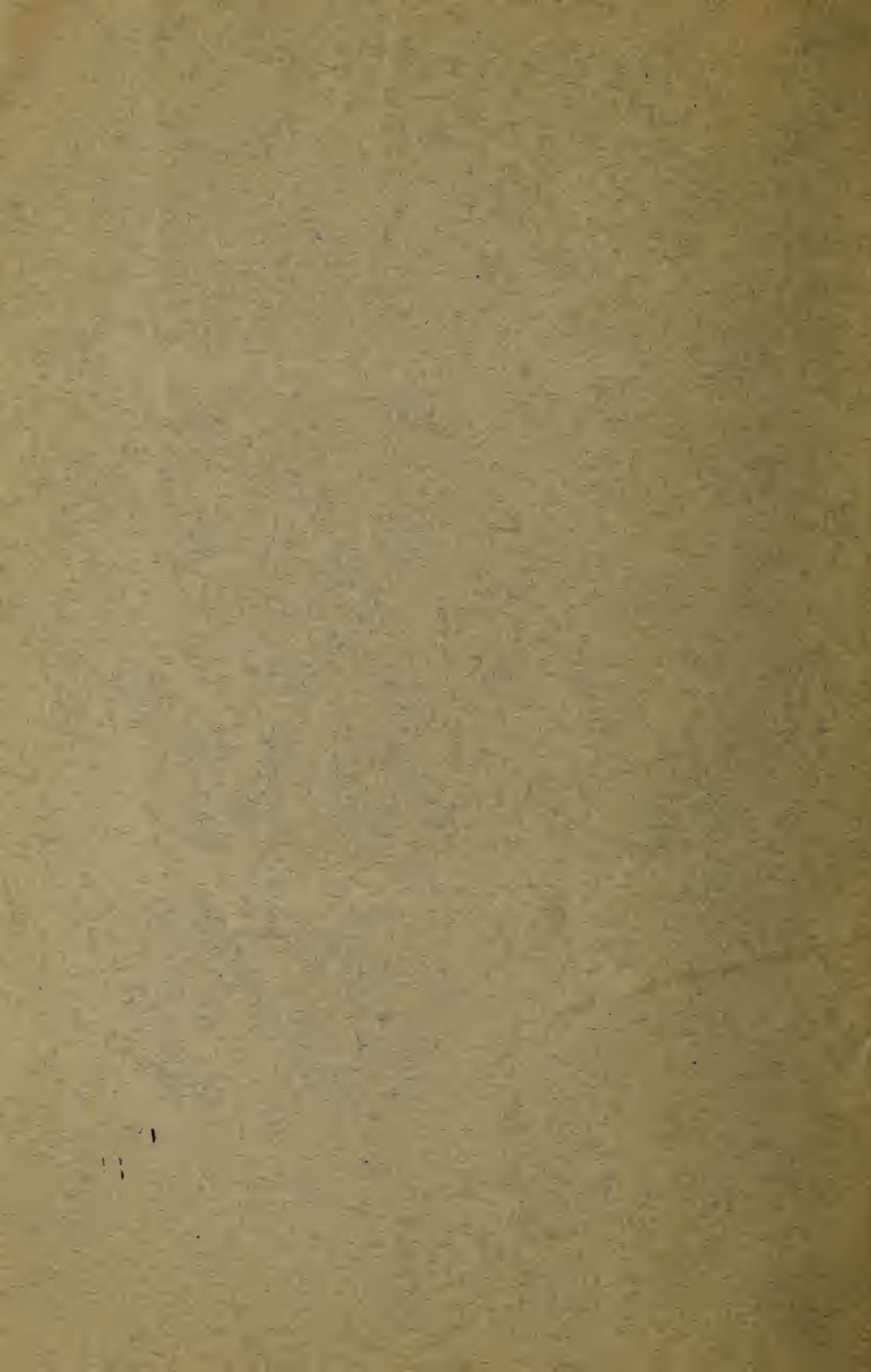
Canadian Pacific Railway.

CORRESPONDENCE AND PAPERS

SHEWING THE EFFORTS THE COMPANY HAS MADE TO SECURE

PORTLAND FOR ITS WINTER PORT.

Millar, J. S., ed.



INTRODUCTION.

THE following papers are printed with a view to enlighten the people of the Lower Provinces and Quebec on the Policy of the CANADIAN PACIFIC RAILWAY COMPANY in regard to the Winter Port question.

They show that, if the Company's intention is to secure a Winter Port in Canadian territory, it has hitherto adopted somewhat strange methods of attaining that object.

As a sequel to the following pamphlet, written in 1882, I will briefly give an account of the Syndicate's movements towards
SECURING PORTLAND AS THE OCEAN TERMINUS OF
THE ROAD,

Letting the President tell the story in his own words.

Montreal, February, 1884.

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From the "Daily Press," Portland, 3rd October, 1883.

PORTLAND AND OGDENSBURG:

MEETING OF THE SPECIAL COMMITTEE OF THE CITY COUNCIL.

The meeting of the special committee of the City Council to receive and consider propositions for the lease or sale of the city's interest in the Portland and Ogdensburg Railroad was held yesterday morning in the Aldermen's room. Mayor Deering called the meeting to order, and requested Mr. Putnam to address the committee and make known to them the object for which they had been called together.

Mr. Putnam said that the officers of the Canadian Pacific Railroad are ready to come to Portland to make known their proposition for the purchase or lease of the city's interest in the road. Mr. Stephens, the president of the road, Mr. McIntire, the financial manager, and Mr. Abbott, the attorney of the road, will come before the committee and submit their proposition at a date to be agreed upon. Mr. Putnam said that he had complied with the instructions of the Canadian Pacific. He had obtained the option of a frontage of half a mile for wharves and the option of \$600,000 of the bonds. His instructions, however, said the option of all the bonds, and he did not know that his clients would be satisfied with a partial option. He presumed that they would be ready to meet the committee under the present state of negotiations.

Mr. Putnam spoke of there being several competitors in the field for the purchase of the Ogdensburg. He thought that the Canadian Pacific would not be treated fairly if they made their proposition, and then the other parties came in subsequently with their offers. He wanted every proposition to state the real parties in interest, so that the citizens can judge of the true merits of the offer in all its bearings. The Canadian Pacific have been obliged to show their entire hand from the beginning,

and he thought the other parties should be required to do the same. He desired that all the propositions for the property be made simultaneously. The Canadian Pacific, he said, will not bid at auction for the road. They have their own idea of what the property is worth. Mr. Putnam said that the Canadian Pacific officials will be ready to meet the committee on Friday of this week or Tuesday of next week.

Mayor Deering said that there are now three distinct parties in the field who desired the road. He had received from New York parties from whom the same inquiries were received some time ago a distinct proposition, offering a certain sum for the city's interest in the road. He declined to make public the sum offered. He said that it would be fair to wait until the Canadian Pacific and the parties represented by Messrs. N. & H. B. Cleaves had submitted their propositions. The two latter parties had not shown their hands, and the New York bidders should be informed of the existing state of affairs before their bid is published.

A discussion ensued as to the best time for meeting the gentlemen of the Canadian Pacific. Some were willing to hear their proposition immediately and then consider at their leisure. Others wanted to postpone the meeting with these gentlemen in order to have further time to think the matter over.

Mr. Noyes moved that the Mayor, one Alderman and one Common Councilman be appointed to confer with Mr. Putnam and the gentlemen of the Canadian Pacific as to what time would be most convenient for them to meet the committee with their proposition and to fix the date of such meeting.

The Mayor, Alderman Tukesbury and Councilman Noyes were appointed on this committee.

President Kelsey, of the Common Council, addressed the committee at some length, speaking of the importance of the question and the necessity of losing sight of private interest in the negotiation and keeping in view the welfare of the city. He counseled caution, and thought that the committee ought to proceed first to the question as to whether it was desirable to sell the city's interest in the Ogdensburg or not.

At this point the committee adjourned until 7.30 o'clock.

The Mayor, on calling the meeting to order, said that Mr. Putnam had heard from the authorities of the Canadian Pacific, and he called upon that gentleman to communicate to the committee.

Mr. Putnam said that Mr. Abbott had telegraphed in reply to his despatch that the officials of the road would be able to be here and meet the committee next Tuesday afternoon. If it would be convenient for the committee to meet these gentlemen then he trusted they would feel inclined to do so. He would urge again upon the committee that every person who bids for this property should make known, frankly and freely, who they represent, and that the bids may be simultaneous.

Mr. Marr asked if it was practicable to get in all the other offers by next Tuesday.

The Mayor stated his inability to answer the questions. He could not see any idea or sense in delaying.

Mr. Marr explained that the reason for his motion was to enable other parties, in pursuance to the wish of Mr. Putnam, to come in here and present their bids.

Mr. Noyes moved the passage of the following order :

Ordered, That the Mayor be requested to give notice that the committee will receive proposals for the sale or lease of the city's interest in the Portland and Ogdensburg road on Tuesday next, at 3 o'clock; and it is requested that all persons making bids shall be prepared at that time to inform the committee what interests they represent.

Mr. Noyes, in explanation of his order, said the majority of railroad interests centre in one or two cities. He cited the great roads centering in New York and Boston, and showed how quickly this proposal for bids, if sent out by the Associated Press, would reach the offices of the Great Trunk lines. In his opinion this would be amply sufficient.

Mr. McAleney was in favor of a longer extension of time in which to receive bids. Such short notice would not be sufficient for the railroads of the country to investigate the matter.

At this juncture Mr. Putnam said he wished to be understood in his position. He was not prepared to say but that they would be willing to put in a proposition and allow anyone to put in another at a future time, but his impression was they would wish others to make offers at the same time.

Mr. Fogg asked if any time had been fixed by the Canadian Pacific beyond which they did not care to prolong this negotiation.

Mr. Putnam said "No; he was in favor of the fullest freedom in the bids. His clients had one plan in this matter; the matter of the options in stocks and bonds and terminal facilities went along with the

purchase of the road. These other parties had had this subject under consideration a longer time than the Canadian Pacific, and were quite as ready for action. If the committee desired an informal interview with these gentlemen he would try to get them down here. They were at home now, and things seemed very convenient for an interview with the committee. He did not think that a bid would necessarily be accepted because it was made; the city would look it over to see if there was anything they wished to add to it. .

Mr. Noyes asked Mr. Putnam how many roads could make connections with the Portland and Ogdensburg for a through road.

Mr. Putnam answered there were but two, the Grand Trunk and the Canadian Pacific. There was a rail connection to-day between here and Suspension Bridge, but New York was practically one hundred and fifty miles nearer this bridge than Portland is.

After one or two minor changes in the phrasing of the order it received a passage.

The committee then adjourned, subject to the call of the chair.

From the Daily Argus, Portland, October 10, 1883.

RAILROAD TALK.

The Canadian Pacific Officers want more time.

The interest the Messrs. Cleaves represented.

Considerable discussion but no conclusion.

The joint special committee of the City Council appointed to consider proposals for the sale or lease of the city's interest in the Portland and Ogdensburg Railroad met at the Aldermen's room at 3 o'clock yesterday morning.

This committee is made up as follows: Mayor Deering, Aldermen Birnie, Gould, Tukesbury, Winslow, Hawkes, Emery, Melcher; Councilmen Turner, Wilson, Kelsey, McAleny, Fogg, Marr, Noyes.

The Mayor called the meeting to order and stated the purpose for which the committee had assembled.

Hon. W. L. Putnam then arose and said he desired to ask the committee to adjourn until 7.30 o'clock that evening. He said he had consulted with the Messrs. Cleaves, who represented other parties who proposed to make a proposition for the city's interest in the Portland and Ogdensburg, and they had agreed to the postponement.

It was accordingly voted to postpone the meeting to 7.30 o'clock in the evening.

A large number of prominent citizens were present at the meeting last evening.

It was called to order by Mayor Deering, who introduced Mr. George Stephen, president of the Canadian Pacific Railway Company. Mr. Stephen said :

Mr. Mayor and Gentlemen,

I hardly expected to be called upon to make a speech when I came here to-night, and I am afraid you will be disappointed if you expected anything of the kind. However, as we are here, it is proper that we should give you some idea of the object we had in coming here, and first let me thank you for the courtesies we have received since we have been here. We have had a very pleasant day, and have seen a great deal more of Portland than I have ever seen before. I have been here several times before, but only just passing through the city, and knew but very little about it. I see what a magnificent harbor you have, and what splendid facilities you have for becoming a great Atlantic port, and I will confess you have a fine outlook.

Perhaps you are aware that the Canadian Pacific Railway has been at work for three years. Three years ago we made a contract to build a line of railway from Montreal to the Pacific ocean, a distance of about 2,900 miles, and we have progressed so far that I think I am safe in saying that within two years, or two more working seasons, the road will be complete, and a main line connecting the Pacific Railway of Montreal to the Pacific ocean will be complete.

In addition to that we shall have by January or February of this coming year a line of Railway from Montreal to Chicago, connecting at St. Louis with the Canadian railway, giving us a through road from Montreal to Chicago. That brings us under the control of the Canadian railway and from the Pacific ocean to Montreal, a line from Chicago, AND IT IS NOT UNNATURAL, HAVING REACHED MONTREAL, AND, AS YOU ARE WELL AWARE, MONTREAL BEING ONLY A SIX MONTHS PORT, WE SHOULD BE LOOKING TO THE QUESTION OF REACHING THE ATLANTIC, AND IT IS NOT UNNATURAL THAT OUR EYES SHOULD BE CAST UPON THE MOST DIRECT WAY, AND WHETHER WE SHALL BE ABLE TO ACCOMPLISH OUR OBJECT WILL DEPEND A LITTLE UPON YOURSELVES. WE THINK, AS I SAID BEFORE, THAT PORTLAND HAS GREAT CAPACITY IN THAT RESPECT, AND I MAY SAY, FOR MY COLLEAGUES AND MYSELF, WE ARE ANXIOUS TO DO ALL WE CAN TO ENDEAVOR TO GET A FOOTHOLD HERE. What the advantages, direct or indirect, of our coming here you are as able to foresee as I am. It is with that object in view that we are here to-night.

And in wandering about to-day, General Anderson has been good enough to show us all there was to be seen of the harbor, and there was a great many things turned up that we did not fully appreciate or fully comprehend before, or, at all events, we had not the same comprehension of the situation that we have now, and as the question is a very important one to the Canadian Pacific Railway we cannot afford to make any mistakes, and I wish to say now that we want to take a little more time to consider this question, to see what offer we can put in, what offer we can make for your road that would be most acceptable to you and to the company which I represent. I say this because I noticed by the paper to-day that there was some idea that we should make an offer, or that this meeting was to receive offers to-night. I wish to say now that we want to consider that a little more than we have had opportunity of doing.

I do not know, Mr. Mayor, that there is anything more that I can say about the matter. If there is any question about the company that any gentleman would like to ask me, I would be glad to answer, and give any information I can, only I would like to take this opportunity to impress upon this meeting I doubt whether it would be possible for us to succeed with our purpose of getting here unless with the hearty co-operation of the people of Portland, and by that I do not mean the question of property. I do not know that there is anything more I can say.

Mr. Putnam said—I have consulted Mr. Cleaves, who sits by me, and he has no objection, and under the circumstances, I asked the committee when they adjourn to adjourn subject to the call of the Chairman.

The Mayor said—This meeting was called by a vote of the committee, requesting all parties who wished to propose for the city's interests in this property to make their propositions this evening, and also to state who the parties were they represented. Mr. Stephen is here to answer for himself and for his road, and Mr. Cleaves for Mr. Wescott and others. If there are any other parties who have any proposition to lay before the committee, we would be glad to hear them. If there are any questions which any member of the committee desire to ask Mr. Stephen, he will be glad to answer them, as I understand it, and give you all the information he can.

Alderman Emery—Mr. Abbott from Montreal, of the Canadian Pacific is here, and we should be very glad to hear from him in regard to this matter.

Mr. Abbott—My friend, the President, has stated exactly what we desired should be stated, and I do not know that I can add anything to it, except that I hope you and the committee will understand that we shall give the matter the most serious consideration possible, in order to present by and by, when the proper time arises, a business-like proposition, which we hope will be acceptable to the city, and one which the city will have confidence in seeing carried out.

I must also second what my friend, the President, says with respect to the reception given us here. Most of us have seen Portland before, but never under such pleasant and auspicious circumstances as to-day. We have had the pleasure of not only passing through the town, but have seen it from end to end. I must express my gratification at seeing your beautiful town, its beautiful roads and avenues of trees, something we are not able to raise in our country at the north—all that we are denied. I am sure the citizens of Portland can congratulate themselves on their beautiful harbor, and I have no doubt it will reach the position which it ought to hold, one of the largest and most prosperous seaports on the Atlantic coast. [Applause.]

Mayor Deering—For the information of the committee I will say that the parties in New York who have written the city in regard to the Portland and Ogdensburg railroad property, sent a messenger here on Saturday. He left Saturday evening to return to New York. He was given all the information I could give him, and to-day they sent the following telegram: "We are ready to meet the Council when you are ready to name a price for your property, and make a prompt settlement of this question." That is the telegram, and that is all there is of it.

Mr. Stephen—It has just occurred to me that I have forgotten a point which I should not have forgotten, that of seeing an article in to-day's paper from my friend General Washburne, of Minneapolis. I will now simply say that we have about completed a branch line of the Canadian Pacific, that is now within eighty miles of Sault Ste. Marie, the point Gen. Washburne contemplates; and we have undertaken to build these eighty miles and reach the sea as soon as they are ready to meet us. We have engaged to meet them at Sault Ste. Marie, and when that connection is made it does not require a very fertile imagination to see what is going to be the effect on the ports at the Atlantic receiving flour from Minneapolis in enormous quantities. IF WE CAN MANAGE TO GET THE FLOUR MANUFACTURED AT MINNEAPOLIS SHIPPED TO PORTLAND, YOU WILL HAVE A VERY BUSY HARBOR.

Alderman Marr—I would like to ask the gentleman the condition of this road from Minneapolis to Sault Ste. Marie. Is it merely contemplated, or under process of construction?

Mr. Stephens—I know nothing about it, except what I have heard from Gen. Washburne. All the Minneapolis millers, I understand, and St. Paul people are interesting themselves in it. Gen. Washburne says they are certain to build it. That is all I know about it. We have undertaken to meet them at Sault Ste. Marie, and we have only eighty miles to go.

The Mayor—I understood you to say they have undertaken to build the branch line.

Mr. Stephen—It is beyond the region of talk now. I cannot tell how far. We are ready to build there whenever we have any object to build there. We shall only be too happy to take their flour when they get it there.

Alderman Emery—I think it was understood in the order that to-night we were to hear who are the parties represented who were to make propositions for this road. While I mean no disrespect to Mr. Wescott or the parties in New York, or attorneys, I think it is extremely proper the thing should not go by default. At least we should know what lines and what road they represent, if they can give us that information. I merely mention this as I do not wish to see the matter go by default. Mr. Wescott represents in his own name no lines, roads or trunk roads. It is desirous to sell this line to some road which will make it a benefit to the city.

The Mayor—Mr. Wescott is here to answer for himself, or through his counsel.

Mr. Cleaves—I will state, Mr. Mayor, there seems to be nothing before the meeting requiring any further disclosure here, but I will say to the Mayor and committee that we represent here the interests of George P. Wescott. The proposition has been stated before. There seems to be no occasion for any discussion as to the matter, as I understand the meeting to-night is for the purpose of hearing propositions and, in connection therewith, disclosing the interests. It seems no proposition is made, and I do not understand it was necessary to disclose the interest represented.

Alderman Emery—I only wish to say that I speak of it because I do not wish the matter to go by default, and as this was the time named by the parties interested.

The Mayor—The New York parties were here, and I asked them the plain question, who they represented in this matter, and they said they represented a syndicate of gentlemen of means, that they were prepared to make not only an offer for this road, but to pay the city money for it; that they proposed to run it, if they bought it, in the interest of the city of Portland, and which it must necessarily be for their interest to do so; that if they purchased it they had no question but they should make arrangements with the Canadian Pacific for the travel to come over this road, and that it would be their business to bring all the traffic here that they could bring profitably to their road. They declined to make any further statement as to who or what they are, with the exception that if the city saw fit to make a price for the road, and would accept such an offer as they made, they were ready to take the road and pay for it, and refer to parties who would undoubtedly make the requisite deposit to carry out the transaction. By this vote it was requested that all persons making bids should be prepared at that time to inform the committee what interests they represented. Mr. Cleaves makes the statement that he represents Mr. Wescott. He probably, if he purchases this property knows what he is going to do with it. THE CANADIAN, PACIFIC, WHO ARE REPRESENTED HERE, SPEAK FOR THEMSELVES, AND SAY THEY INTEND TO USE IT AS A THROUGH LINE IN CONNECTION WITH THEIR ROAD. IS THAT WHAT I UNDERSTAND YOU, MR. STEPHEN?

Mr. Stephen—YES SIR.

The Mayor—I would like to ask how you are going to connect with your road when you get up through the mountains?

Mr. Stephens—It is not very easy for me to answer the question the Mayor has put to me. The arrangement is anything but complete yet. We do not know very well how we are going to do it. All our efforts so far have terminated at Montreal. A bridge has got to be built which will take about eighteen months, and when we get across the bridge to Montreal we will find some way of getting down to connect with this road; and as to the connection we have that. A very good connection is over the St. Johnsbury and Ogdensburg, but, as I said before, we have not given these matters very much consideration yet.

Councilman Fogg—I would like to ask of the gentlemen representing the various interests here to-night if they have in mind any fixed time when they will be able to make their propositions to the committee?

Mr. Putnam—I will state, Mr. Mayor, that Mr. Stephen has suggested to me that I should ask an adjournment until some time next week, but I am so situated that I find it impossible for me to be here at that time, and they desire me to be here at the meeting, and consequently I was compelled to ask them to adjourn the subject to the call of the Mayor, as I may not be able to be here for two or three weeks, and perhaps more.

The Mayor—You desire not to have the matter called up until your return?

Mr. Putnam—That is my desire. I have been delaying in going away on account of this matter, and it is absolutely necessary that I should be absent some two or three weeks. It was suggested that the committee should adjourn until the latter part of next week, but I was compelled to ask that it be left in a more indefinite form, as they desired I should be here when the matter came up again.

The Mayor—I would like to have it understood that when this committee is called upon again that, if possible, some definite proposition be made.

Mr. Putnam—I suppose, so far as we are concerned, we should not call upon the committee again until the proposition is in writing. The delay on my part, under the circumstance, is unavoidable.

After some further discussion, with reference to the time of adjournment, it was voted to adjourn subject to the call of the Chairman, it being understood that two days' notice should be given.

To His Honor the Mayor, Aldermen, Common Council, and Citizens of Portland, Me., U.S. :

GENTLEMEN:—Before proceeding to discuss or determine upon any proposals for the purchase or lease of your City's interest in the Portland and Ogdensburg Railway or other property, I trust that you will examine the statements and correspondence which I now submit for your consideration.

My object is to give a plain exhibit of a transaction in which the interests of the City of Portland are directly and deeply involved. I refer to the endeavor of a party of Portland gentlemen to form a Syndicate, for the purchase of the Bonds, &c., of the Portland and Ogdensburg Railroad, with a view to getting control of the road, and selling it at an advance to the Canadian Pacific Railway Company, or to parties representing themselves as acting on its behalf.

To the bond and stock holders I would say,—do not act hastily in disposing of your property. You control a railway which must ultimately become part of the Canadian Pacific line. No other port on the North Atlantic coast can afford accommodation approaching that offered by Portland. It is, therefore, beyond question that the Canadian Pacific Company must avail itself of these facilities in selecting the eastern terminus of the line.

Portland is destined to become, in the near future, the ocean outlet of the trade of the great and fertile regions of North-Western Canada, as well as a large portion of the United States, for, by making connections with American roads at Sault Ste. Marie, &c., the Canadian Pacific will be able to furnish the shortest possible route to Europe, via Portland, in winter.

On the 31st of March last, 1882, Mr. John Marshall Brown, of Messrs. J. B. Brown & Sons, Bankers, of your city, in an interview with me, stated that his firm, with some other responsible parties, proposed to purchase the City's and other interests in the Portland and Ogdensburg Railway, with the view of entering into negotiations for its sale, together with the franchise of the Belt Line, and the Dock property on Cape Elizabeth, to the Canadian Pacific Railway Company. After detailing his plans, Mr. Brown suggested that, as I had had considerable experience in such matters, and would be able to place the subject in the most favorable light before the Pacific Company, I should undertake to conduct the negotiations on behalf of himself and his friends. After obtaining further particulars from Mr. Brown, I consented to act, and on the following day left for Montreal, to put myself in communication with the principals of the Pacific Company. On the third of April I broached the matter to the Honorable Peter Mitchell, who, it was alleged (and no doubt he for good reasons

encouraged the idea), was the only channel through which the heads of the Pacific Railway Company could be approached upon such business as that which I had undertaken. I disclosed my plans to Mr. Mitchell, offering him a share of the commission which, in due course, I should receive if the project was carried to a successful conclusion. Knowing that Mr. Mitchell was on intimate terms with Mr. Bradley Barlow, President, and Mr. A. B. Chaffee, Secretary of the South Eastern Railway, which, it was reported, had been quietly absorbed by the Canadian Pacific Company, I requested him to make no mention of my proposals to either of the gentlemen last named, as, from their antecedents and general reputation, I was well aware that they would not scruple to adopt any means to deprive me of all interest in the undertaking. During my interview, Mr. Mitchell informed me the object of his visit to Portland, in company with Barlow and Chaffee, the previous winter, was to make running arrangements with the Portland and Ogdensburg road; but his visit having become public he was inundated with enquiries from his friends in the Lower Provinces, enquiring whether there was any foundation for the report that he was actively working in behalf of Portland as the winter port, and advising him, if he had any regard to his own political interest, to go no further in this direction. He would, therefore, in taking hold of this project, need to act very cautiously. Our conversation closed by his promising to submit my scheme to Mr. Duncan McIntyre, Vice-President of the Canadian Pacific Company; and, after leaving him, I addressed the following letter to Messrs. J. B. Brown & Sons, of Portland:—

P. O. Box 1109,

MONTREAL, 3rd April, 1882.

MESSRS. J. B. BROWN & SONS,

Bankers, Portland, Me.

GENTLEMEN,

Referring to the conversation I had in Portland the other day with your General Brown, in regard to the sale of the Portland & Ogdensburg Railroad, I would say that I have submitted the matter for the consideration of a possible purchaser.

The plan best calculated to ensure a sale is to form a small Syndicate. If you cannot accomplish it yourselves, get the city and as many as possible of the largest holders of the stock and the bonds to agree upon the minimum price they will accept for their several interests, and place the same in your hands for sale for a given period. This satisfactorily accomplished as regards price, you could then make a plump offer of the road, with all its rights, titles, &c., &c., free from all encumbrances, which would, surely, in my opinion, lead to business. Our people prefer this mode of dealing, even at an advance in price, to the possibility of litigation arising out of claims they could not foresee.

Of course the utmost discretion would be necessary to prevent the scheme from becoming public (the intending or possible purchasers should not even be known, certainly not outside of the syndicate, should one be formed), else the outside stock and bond holders would make use of the information, to the injury of the syndicate.

It is understood that I shall be included in any scheme got up for the sale of this property.

If you concur in my views, as stated above, I would suggest that no time be lost in getting control first of the city's interest, and then as much more as possible, so as to avoid any advance in price, which would be sure to follow another and second attempt to get control of the interest.

Yours truly,

(Signed), J. S. MILLAR.

It will be observed that I proposed to sell the properties to the Pacific Company "free of all encumbrances." I considered that the best and most satisfactory basis of negotiation for all parties concerned, because, if enquiries were made by intending purchasers, the claims against the road would probably become exaggerated, and the interests of bond and stock holders would suffer. In order to more readily effect a sale, and that the interests of neither seller nor purchaser should be prejudiced, I deemed it best that the road should be offered free of all claims, of whatsoever nature or kind.

In reply to my letter to Messrs. J. B. Brown & Sons, I received the following :—

(Copy.)

Office of J. B. Brown & Sons, Bankers,

PORTLAND, ME., April 4th, 1882.

Mr. J. S. MILLAR,

Montreal, Canada.

DEAR SIR,

We beg to acknowledge the receipt of your esteemed favor of the 3rd inst. The plan which you suggest we have had for a long time under consideration, and we agree with you that it is the only practicable method of arriving at the desired result. Thus far there has been no intimation from the Municipal authorities of a willingness to sell. It *has* been intimated, publicly and privately, that when the time comes for selling, a preference will be given to citizens of Portland. This is, you will of course see, to estop subsequent complaints should outside parties make the purchase.

We shall hope to confer with you soon, either personally or by letter; but our Mr. J. M. Brown leaves town to-day for an absence of two weeks, and our Mr. P. H. Brown is in Europe, and not expected to return before June 1st. We doubt if anything could be accomplished before his return, as there are matters now pending before the municipal Government which must first be attended to. We understand that, in a private conversation which our Mr. J. M. B. had with you, he stated that other parties had been negotiating for the purchase of a considerable "block" of the 2nd Bonds (Consolidated), but that for the present the matter has fallen through. Should negotiations be renewed, we will advise you.

We understand that this whole matter is confidential between yourself and us.

We are, yours very truly,

(Signed),

J. B. BROWN & SONS.

This shows that Messrs. Brown & Sons approved my plan of negotiating the sale of the properties.

I may here state, as much of the correspondence now published was written as private, I subsequently obtained Mr. P. H. Brown's consent to use the confidential correspondence which passed between us in any way I thought proper.

When next I met Mr. Mitchell, he said Mr. McIntyre was not disposed *just then* to entertain any proposals looking to the acquirement of the Portland and Ogdensburg road. I then learned that Mr. McIntyre's reason for declining to enter into negotiations was of a political nature, but that when the general elections were over (more especially if the Government were sustained) the Company would be in a position to consider any proposals I might have to make. In the course of the next few days I had several interviews with Mr. Mitchell, particularly in reference to Messrs. Barlow and Chaffee, the latter of whom he desired should participate in any commission that I might obtain from the sale of the properties. Knowing the unscrupulous character of these men, I was not disposed to take them into my confidence. I did not fear anything that Messrs. Barlow and Chaffee might attempt to accomplish in Portland, where they were already pretty well known; and I understood from my friends that they would not treat with these gentlemen on any account individually, and that, for the acquisition of the city's interest in the Portland and Ogdensburg properties, they would require stronger backing than the South Eastern Railway. However, on the 8th April, I wrote to Messrs. Brown & Sons the following letter, enclosing it to Mr. J. M. Brown, Washington:—

(Copy.)

P. O. Box 1109,

MONTREAL, 8th April, 1882.

MESSRS. J. B. BROWN & SONS,
Portland, Maine.

GENTLEMEN,

I am in receipt of your esteemed favor of the 4th inst., and note contents. Of course, the subject of our correspondence is a matter of strict confidence between us; but I regret that your Mr. John M. Brown is absent, as developments have occurred since the receipt of your letter which renders it necessary, in my opinion, to take immediate steps in order either to secure the control of the road, or to buy up bonds, &c., at their present price, in anticipation of an advance, which is likely to occur, in consequence of the Pacific Railway Co. having purchased, as I am led to believe, the South Eastern Railway. This transaction is kept private at present, but I have good reason for believing that it has taken place, and that the next move of the Company will be to secure your road. In view of this, I have decided to leave for Portland on Monday night, and hope to meet you there as soon after as possible, as no time should be lost in taking advantage of the information I am possessed of. As I will be in Portland before your arrival, I would like you to telegraph me the names of one or two parties whom you would wish to associate with us, in order that I might have our plans of action arranged on your return.

Would Mr. Sam. Spring be agreeable to you, if he would act? He is, as you know, a personal friend of mine, and has considerable influence with Portland people; but I leave the selection entirely in your hands.

I will address this letter to your Mr. J. M. B. at the P. O., Washington, and wire the firm in Portland to advise him of the fact, so that he can call there for it.

Yours truly,

(Signed),

J. S. MILLAR.

I also telegraphed the Portland house to wire Mr. J. M. Brown to call for my letter at the Washington Post Office. I reached Portland on April 11th, and next morning saw Mr. J. M. Brown, who, on receipt of my letter, started from Washington to meet me. He suggested that we should see Mr. H. N. Jose, who was to form one of the Local Syndicate, as he knew more of the business than any other member of the Syndicate, except Mr. P. H. Brown, who was in Europe. We met Mr. Jose at his office by appointment that afternoon, and for some hours the last-named gentleman and myself (Mr. Brown having to leave owing to other engagements) discussed matters exhaustively. One of the first remarks Mr. Jose made to me was:—

“Millar, I suppose your object in taking hold of this thing is the same as our own—to make some money out of it?”

I replied, yes, and he then asked me what the commission was to be, whether two and a-half or five per cent. I answered that I could not then name a definite figure, because I did not know how many persons besides myself were to share in the commission, adding that I considered it premature to discuss that point. Mr. Jose then produced plans of the Dock property, and calculated the area, water frontage, etc., and explained the advantages to be derived from the acquisition of this property by the purchasers of the Portland and Ogdensburg Railway. He also enlarged on the great benefits which were certain to accrue from the Belt Line franchise, adding that the two properties named did not belong to the Portland and Ogdensburg Company proper, but to persons who were also large stockholders in the road, and would readily dispose of their interest in the Dock property with it. Mr. Jose also explained how the present terminus of the Portland and Ogdensburg road could be connected with the Dock property, giving me an estimate of the cost, etc.; and in reply to the question: “Are you prepared to make an offer of these properties, viz., the Railway, the Dock premises, and the Belt Line franchise, *free of incumbrances of every nature*” (this condition I insisted on as the only basis of negotiation with the Canadian Pacific), he replied,—“Yes, we are;” and he then went fully into the matter, giving me the following estimates of the value of the various properties, which I copied from him at his own desk and on his own heading paper.

First issue of Mortgage Bonds due in the year 1900, now selling at 108.....	\$ 800,000
Second issue of Bonds (Consolidated) due in 1901, say \$2,500,000 at 50cts. on the dollar	1,250,000
For the Dock Property, say.....	100,000
To meet contingencies, build a connecting link between the P. & O. terminus and the Dock Property, and to divide amongst the members of the Syndicate.....	150,000
Total	\$ 2,300,000

Mr. Jose then submitted to me in his own handwriting the scheme by which he proposed to manipulate the city's interest in the Portland and Ogdensburg Bonds, etc., thus:—

The city owns, of Common Stock	\$ 714,300
Do do in the second issue of Bonds (Consolidated).	1,350,000
Total City Interest.....	\$ 2,064,300

In return for this interest he proposed to give—

The city.....	\$ 675,000
Say in Cash.....	75,000
Leaving.....	\$ 600,000

On the payment of \$75,000 in cash the city was to transfer the \$714,300 of Common Stock to the purchasers, and place the \$1,350,000 of Second issue of Bonds in trust as security for the payment of the \$600,000, which was to be paid off in fifteen years, and to be provided for by a Sinking Fund, with interest payable semi-annually, thus: For the first five years, four per cent.; for the second five years, five per cent., and for the third five years, six per cent., per annum. Mr. Jose claimed that the purchasers would thus get possession of the road for an immediate cash outlay of \$475,000, thus:—

Cash paid to the city as above.....	\$ 75,000
Do. for the balance of the Second Issue of Bonds, say \$1,150,000 at 50cts. on the dollar.....	\$ 575,000
Less the amount of these Bonds, the Portland people would undertake to hold, at 50cts. on the dollar, and six per cent. interest.....	175,000
Total.....	\$ 475,000

The purchase of the Dock property and the contingencies would be cash, and would add \$250,000 to the foregoing amount, thus making the actual present outlay for the three properties only \$725,000. These statements, in Mr. Jose's handwriting, are still in my possession. He then named the gentlemen whom he desired to associate with himself in the Syndicate. Mr. Jose also

requested that I should continue my correspondence with Messrs. Brown & Sons, as he would then be able to go before the citizens and civic authorities *as a disinterested party*; and, having considerable influence with the Mayor and Corporation, could strongly recommend the acceptance of the local Syndicate's proposals. He said that Messrs. Brown & Sons had shown him my letters and would continue to do so, adding that as it was important that the city's interest should be secured in order to get control of the railway, great caution would have to be used, as the citizens were easily alarmed, since, by the sale of the Portland & Rochester Road to speculators, only a little over twenty cents on the dollar had been obtained. The slightest suspicion of wrong-doing in connection with our proposals would, therefore, excite such bitter feelings in the community that the civic authorities would not attempt to transfer the properties on any conditions, and he further remarked that the Mayor, who controlled the situation, was a very difficult man to deal with, being captious, and so forth, and would have to be judiciously handled.

It is not necessary for me to say anything of Mr. Jose's peculiarities of proceeding in transactions of this character, as his methods of action are well known to the people of Portland, and in this case he has not been unfaithful to himself.

Believing that I had satisfactorily settled matters with the Portland Syndicate, and was fully posted to carry on negotiations with a purchaser, I returned to Montreal.

Having latterly had some idea that my business in Portland was being communicated to Messrs. Bradley, Barlow & Chaffee, I addressed Messrs. J. B. Brown & Sons, on the 24th April:—

[Copy.]

P. O. Box 1109,

MONTREAL, 24th April, 1882.

Messrs. J. B. BROWN & SONS,

Portland, Maine.

GENTLEMEN,

I am hard at work on the P. & O. matter, and hope to report progress towards the end of the present week.

Have you heard of any movement being made in New York, or elsewhere in regard to this matter, since I saw your Mr. J. M. B. in Portland?

Is it a fact that the first issue of the P. and O. Bonds expires in 1890, and the second issue in 1891? If not, please wire me, on receipt of this, the correct dates, and oblige,

Yours truly,

(Signed),

J. S. MILLAR.

P.S.—When you next write me, please state the exact length of the main track owned by the P. & O., and the length of side tracks, &c.

(Signed),

J. S. M.

On the 25th I called on the Secretary of the Canadian Pacific Railway, to arrange for an interview with Mr. McIntyre. He afterwards told me that Mr. McIntyre had no wish to negotiate for the property named, either on behalf of himself or the Canadian Pacific Company. On the 27th April I received the following letter from Messrs. J. B. Brown & Sons :—

(Copy.)

Office of J. B. BROWN & SONS, Bankers,

PORTLAND, ME., April 26th, 1882.

MR. J. S. MILLAR, Montreal, Canada.

DEAR SIR,

We beg to acknowledge the receipt of your favor of the 24th inst.

We have heard of no real attempt to secure the City's interest in the Portland and Ogdensburg R. R. There is a good deal of talk about it; but we do not believe any proposition has been made, either from this point or from New York. We have advised you by wire that the first issue of Bonds expire in 1900, and the second in 1901.

The length of the main track is 94 miles, and of spurs and sidings 10 miles.

We have sent you a newspaper, which will give you additional information.

Our Mr. J. M. Brown is now in New York, but he will return by Monday next. Any communication you may wish to send him will be forwarded by us immediately.

Yours very truly,

(Signed), J. B. BROWN & SONS.

P.S.—See Poor's Manual of Railroads for general information.

About this time I was not very much surprised to learn that Messrs. Barlow and Chaffee were trying, through Portland parties, to obtain the properties on terms somewhat similar to those proposed by me.

On April 29th I was accosted on the street by Mr. A. B. Chaffee, who said he wanted to have a talk with me about the business in which I was engaged; that he knew all about my position respecting the Portland and Ogdensburg properties, etc. Being disposed to humor Mr. Chaffee, and anxious to get what information I could from him, I answered that I would be happy to talk matters over with him. He then made an appointment to meet me on the 1st of May, which appointment he afterwards asked me to postpone, as he had another engagement fixed for that day. He made a number of appointments with me afterwards, but failed to keep any of them. Knowing that Mr. Chaffee's purpose was to "pump" me, and make my knowledge of the facts available for the purpose of his own intrigues, I was not unwilling to indulge him, believing I would get more information out of him than he would out of me, so I made it a point to be on hand on every occasion, but finding that he had proved an unreliable man, I at length discontinued all efforts to meet him. On the 8th May I addressed Messrs. J. B. Brown & Co. as follows :—

(Copy.)

P.O. Box 1109,

MONTREAL, 8th May, 1882.

Messrs. J. B. BROWN & SONS,
Portland, Maine.

GENTLEMEN,

Since I wrote you last, our matters here have progressed somewhat satisfactorily, but nothing definite can be done until after our general elections, expected in the latter end of next month. As public opinion in the Lower Provinces is very strong against allowing the Canadian Pacific to make a Winter Port of any place outside of St. John, N.B., or Halifax, N.S., and that feeling must, for political reasons, be respected by both the Government and the Canadian Pacific until after the elections, when they can do as they please in the matter.

I told you in my letter of the 3rd ult. what I thought the best plan to ensure success in the negotiations, but more fully explained it in our interviews with Mr. Jose, and I am now all but convinced that it is the only plan that will succeed, viz.: To form a Syndicate (the smaller the better) and to offer the property free from all encumbrances of whatever nature or kind for a lump sum, and I think no time should be lost in carrying out this suggestion. Feeling convinced of this, and taking the figures given me by Mr. Jose and yourselves as a basis, I submitted a conditional offer of sale in the following shape, viz.:—

(See page 11.)

Yours truly,

(Signed),

J. S. MILLAR.

It will be seen from the above correspondence that I was most scrupulously careful to avoid in any way impeding the movements of either the Canadian Pacific Company, the Dominion Government, or the interests of the City of Portland. At the peril of my own interests, I abstained from urging what was my unquestionable right, lest I should cause embarrassment, which it seemed to me were better avoided. Had I acted otherwise, the polling at the general election might have told a very different story as regards the seaboard Provinces. It is an indisputable fact that there was, at that time, an uncompromisingly hostile feeling to the choice, by either the Company or the Government, of any other point than St. John, N.B., or Halifax, N.S., as the winter port of the Dominion. The strength of this feeling in the Maritime Provinces was evinced by the necessity under which Ministers representing Nova Scotia and New Brunswick found themselves, when they were face to face with the electorate, of intimating that the outlet to Europe would be from Canadian territory. They were forced to do this in deference to prevailing opinion, which, at such a time, they could not afford to disregard. No one who glances over this correspondence can fail to remark the scrupulous care which I exercised to avoid causing embarrassment, and this at a time when, had I chosen to make full use of my opportunity, my efforts to accomplish the end I had in view would have been far more effective. The prospects of the Ministry, in the Maritime Provinces, were doubt-

ful, at best; and the agitation, at that crisis, of the project I was furthering would have increased the difficulties of the situation immensely. The gross injustice which has been practised upon me will be fully appreciated in St. John, N.B., and Halifax, N.S., and other constituencies, all of which put faith in the assurance that the winter port would be on the Canadian seaboard, and supported the Government on that understanding. The most remote reference to Portland as the intended outlet would not have been endured.

In view of all the facts, and in face of the specious promises made by Mr. Chaffee, professedly acting on behalf of the Canadian Pacific Railway Company, I feel that I have a right to strongly protest against the unworthy treatment to which I have been subjected. I cannot do otherwise than regard the conduct of Mr. Chaffee and others as, if not treacherous, at any rate misleading. While they were apparently friendly and seemingly desirous of securing my services, they were, all the while, as I subsequently learned, to my amazement, making use of information which they had obtained from other parties as to the propositions I was making, and imperilling the interests of Portland, by giving the subject premature publicity.

On 12th May I received this reply to my letter of the 8th:—

[COPY.]

Office of J. B. BROWN & SONS, Bankers,
PORTLAND, MAINE, 11th May, 1882.

MR. J. S. MILLAR,

Montreal, Canada.

DEAR SIR,

Your favor of the 8th inst. was duly received, and has had our careful attention.

The affairs of the P. & O. have been somewhat complicated since our interview, by an action brought in the U.S. Courts at Portsmouth, by the Mercantile Trust Co., of New York, of which we notified you by a printed slip some days ago. Mr. Fitzgerald, the President of that Co., arrived in town last night, and is to-day, with his attorney, and in company with the officers of the road, making an inspection of the line. We understand that the purpose of all this litigation is to compel a division of the earnings of the Mountain division, so called, to the 2nd Mortgage Bonds, and unless some compromise is effected, it may result temporarily in severing the road at Bartlett. While this matter is pending, therefore, we must proceed with the utmost deliberation.

In general we approve of your presentation of the scheme. We only allude now to that part of it which requires the "Belt Line Co." to build the connection between the P. & O. and the Dock property. Should that be necessary we are of opinion that the Belt Line Co. should be composed of the members of the Syndicate, and should deal in its corporate capacity, under its charter, directly with the City. This would much facilitate the negotiations, as no local prejudices would be aroused, and the result, so far as the scheme is concerned, would be the same.

Our Mr. J. M. Brown is obliged to leave town to-day for the South, and desires us to say that he will answer your "Private" to him immediately he returns. We will keep you advised of the course of the Trust Co.'s litigation.

Yours very truly,
(Signed),

J. B. BROWN & SONS.

In order to define my position in the negotiation (Mr. McIntyre having left for Europe), I addressed the following letter to Mr. George Stephen, President of the Canadian Pacific Company:—

(Copy.)

P. O. Box 1109,

MONTREAL, 26th May, 1882.

GEO. STEPHEN, Esq.,

President Canadian Pacific R'y Co.,

Montreal.

DEAR SIR,

A few of my intimate Portland friends having a controlling interest in the Portland and Ogdensburg Railroad, a short time ago proposed to place that property in my hands for sale, and I arranged with them to name the terms on which they would hand over the property free from all encumbrances—this being, in my opinion, after considerable experience in such matters, the only safe way for the purchasers to proceed; these terms are embodied in the memoranda I enclose for your perusal.

The distance hence to Portland, via the South Eastern and its connections, and the Portland & Ogdensburg, is, as you are doubtless aware, much shorter than via the Grand Trunk. The harbor is the best on the Atlantic Coast, and is the most suitable ocean terminus for a Canadian Railway, the route being much shorter than to Halifax or St. John, and the Port being infinitely safer than the latter. Besides, the Wharfage property offered for sale in connection with the Railroad, is most favorably situated for Ocean business, as you will see by the enclosed Map. In fact, another property possessing such facilities for that purpose cannot be found on the Atlantic Coast. This I affirm, first from my ten years' experience as G. T. R. Agent at Portland, and next from my having inspected and reported upon the facilities afforded by the several Ports between and including Baltimore and Halifax.

Believing, therefore, that it would be impossible to find another outlet equal to this for the Canadian trade—the Halifax route being too long to be worked at a profit, and that St. John will never be a favorite seaport, owing to the dangers of the Bay of Fundy—I have taken the liberty of enclosing the papers for your consideration, before offering the property elsewhere, and may add that I wish this and any other communication we may have on the subject to be strictly confidential between us.

I am in possession of full data relating to these properties, and shall be happy to go further into details with you if required.

Yours truly,

(Signed),

J. S. MILLAR.

(Two enclosures).

Montreal, May, 1882.

MEMORANDUM.

Under direction of a Syndicate of the leading business men of Portland, Maine, I am prepared to offer for sale the following properties, &c., which they control, viz :

First.—The Portland and Ogdensburg Railroad, now in operation, with all the Lands, Tenements, Rolling Stock, Station fixtures and Franchises thereof and appurtenances thereto, now owned by the said Railroad Company, together with any and all rights possessed by them, either by lease or contract, in any railroad forming part of the through line from Portland to Ogdensburg ; in short, all its interests of whatever nature or kind.

Second.—As this railroad possesses no terminal facilities in the City of Portland for the conduct of the foreign import and export trade, it is proposed to sell with it what is known as the Dock Property, situate on the south-east side of the Harbor, having a water frontage of about 3,250 feet (more than double that available to the Grand Trunk Railway) and covering some fifty to sixty acres. On and belonging to this is a large dry dock, where vessels of large size can be repaired, and where it is arranged to repair the SS. "Moravian," now ashore off the coast of Nova Scotia. The depth of water in the channel leading to this property is not less than twenty-one feet at low water, but from the channel to the harbor line, along the frontage, will have to be dredged to a depth suitable for the business, which will be done by the United States Government free of expense. This is one of the best sites, in one of the best harbors on the whole Atlantic Coast, for the conduct of a large ocean railway business, and will have the preference of ship-owners, being the safest Dockage in Portland Harbor. The long frontage on this property is capable of accommodating, at least, seven large ocean steamers at the same time, and, by building piers, several more ; and the depth has ample space for tracks, warehouses, elevators, &c., &c.

The property cost, including the Dry Dock and a small Wet Dock adjoining, between \$300,000 and \$350,000. The Docks produce an annual income of about \$5,000.

Third.—A charter for building a belt road to connect all the lines running into Portland, under which the Syndicate will procure a right of way and build a branch line to connect the Portland and Ogdensburg on the north-west side of the harbor, with the Dock Property above referred to on the south-east side. The Charter also covers the right of building and owning wharves, warehouses, elevators, &c.

The Dockage Property and the Charter for building the belt-road are not the property of the Portland & Ogdensburg Company, but the owners thereof have been induced to dispose of them in connection with the railroad, and they will greatly add to its value.

The whole of the above to be handed over to the purchasers, free from all encumbrances, for the sum of two-and-one-half millions of dollars, payable as follows, viz :—

\$800,000 payable in 1900, with six per cent. interest semi-annually,
as per Mortgage and Trust Deed.

*\$700,000 payable in 1901, with six per cent. interest semi-annually
and sinking Fund.

\$1,000,000 payable in cash, as may be required.

\$2,500,000

(Signed),

J. S. MILLAR.

*This payment may be modified if required.

The difference between this and Mr. Jose's first estimate of \$200,000, was subsequently made to provide for building the Belt line round the Upper Harbor, by way of Cape Elizabeth, instead of directly across the Inner Harbor, the difference of route involving a detour of several miles, and necessitating, as a matter of course, a very large additional outlay. The increased cost would be repaid in the future working of the road, by avoiding a draw-bridge, and the expense attendant thereon.

On the following day, May 27th, Mr. R. B. Angus, a Director of the Company, wrote me, acknowledging the receipt of my communication, and stating that it would be submitted to Mr. Stephen on his return from the West, in the course of the following week. On the 31st May, I wrote Messrs. J. B. Brown & Sons:—

(COPY.)

P. O. Box, 1109.

MONTREAL, 31st May, 1882.

MESSRS. J. B. BROWN & SONS,
Portland, Maine.

GENTLEMEN,

I have received no favors from you since that of the 11th inst., and therefore presume that your Mr. J. M. B. has not returned from the South. Circumstances have since arisen that I was informed made it advisable to offer the P. & O. and other properties to the Pacific Syndicate in a more official way than I had previously done, and the manner in which the papers were received satisfy me that my information was correct. The negotiations are strictly confidential on both sides, and the members in town now wait the arrival of Mr. Stephen, the President, who will return from the West in a few days, when I am to meet them. As I said before, nothing is likely to be done until after the elections, which take place on the 20th proximo, but the Company will doubtless give the offer full consideration, which, with the conditions, is just what I mentioned to you in mine of the 8th inst., and I hope to hear from you by return mail that I will be supported in negotiating on this basis. I hope your Mr. P. H. Brown has returned from Europe, and that there will be no further delay in arranging matters amongst yourselves.

I would like you to ask your associates whether any one has been in communication with them about this matter. I have an idea that the South Eastern people have an eye to engineering the sale, evidently with the view of benefiting themselves.

Yours truly,

(Signed),

J. S. MILLAR.

On June 8th, I received the following letter from my friends in Portland:—

Office of J. B. BROWN & SONS, Bankers,

PORTLAND, ME., June 6th, 1882.

J. S. MILLAR, Esq.

DEAR SIR,

I returned from Washington on Saturday, and found your favor of the 8th May, the receipt of which had already been officially acknowledged. I learn now for the first time, and much to my surprise, that propositions have been made

and negotiations are now pending for the purchase of the City's interest in the P. & O., as well of the franchise of the "Belt" line and the Dry Dock. Barlow is the man who appears to be the negotiator, and is renewing the scheme which was at the bottom of his visit to Portland some months ago, when, as you are aware, he came with Sir Peter Mitchell and others, and looked all over the property. The proposition, as I understand, varies materially from your own scheme, as explained in your favor of the 8th May, and is much more favorable to the interests of the Portland capitalists interested in the enterprise. Your plan (to use your own words) was "to offer the property free from all encumbrances of whatsoever nature or kind for a lump sum." Barlow's proposition is to purchase the City's interest, the Portland holding of Bonds, the Dock and Belt line, and to *assume all the debts and obligations of the various Corporations*. A reference to your letter of May 8th will show you the material difference to which I allude. I am led to believe that this plan has the approval of prominent men in the Canadian Syndicate, and the hearty co-operation of Mr. Fairbanks and the L. & Ogdensburg & L. C. R. R., who must in any event become parties to it.

I have only to say, in addition, that I know as little as you do about this, perhaps not as much. My first impression was that some one in Montreal, whom you had taken into your confidence, had gone to Barlow or the Canadian Pacific people and told them of your plans. If that is not the explanation, I can only account for it by assuming that Barlow had never (as we supposed, and had reason to believe) given the matter up, and that he was only waiting for Mr. George Stephen's return to re-open negotiations. I think Mr. Stephen is giving it his personal attention.

I hope it is not necessary to add that all our correspondence has been, from the beginning, absolutely confidential, and that no person, other than my partners and Mr. Jose, has ever had a word said to them on the subject.

Hastily and truly yours,

(Signed),

JNO. MARSHALL BROWN.

This induced me to send the following telegram to Mr. Stephen, who was then in New York:—

(Copy.)

MONTREAL, 8th June, 1882.

Telegram to GEO. STEPHEN,

Care J. S. Kennedy,

New York.

Advices from Portland tell me Barlow been there, negotiating your behalf, property on more favorable terms for sellers than my offer to you. Mine was confidential. Barlow seems know every particular. What is my position with you in the matter? Have other purchasers ready take up the scheme. Will leave for Portland by appointment to-morrow night, unless you are to be here.

(Signed),

J. S. MILLAR.

Mr. Stephen returned from New York on the following day, when I called on him for an explanation. He returned me my papers, stating that neither Bradley Barlow, Chaffee, nor any other person, had authority to negotiate for the acquisition of the Portland properties, in the name or on behalf of the Canadian Pacific Railway Company, and that I had his authority to say so.

Mr. R. B. Angus was also present at the interview. I then started for Portland to expose the nefarious business in which Messrs. Barlow and Chaffee were engaged, returning to Montreal on the 17th June. On the 19th June I met Mr. Chaffee, and soon understood from the tone of his remarks that somebody had communicated my proceedings to him. He wanted to discuss Portland and Ogdensburg railway matters, but I told him in pretty strong terms my opinion of him, and declined to hold any conversation, as he had failed to keep his previous engagements with me, and so our interview ended. Finding that scheming was still going on, I called on Mr. Angus, the only member of the Pacific Company then in town, and discussed matters with him. He then informed me that his Company were not anxious to acquire possession of the Portland and Ogdensburg Railway. In the evening I met Mr. Chaffee again, and he said he had just left Mr. Angus, who had sent for him, and informed him of what had passed between Mr. Angus and myself, and that Mr. Angus had instructed him to communicate with me, in order, if possible, to harmonize the conflicting interests. He said that anything antagonistic towards me had been done through misapprehension, and that the only means by which control of the Portland and Ogdensburg road could be secured was through me; that I would get my commission, and that he was prepared to accept Mr. Angus' recommendation and work with me.

On the following day (June 20th) he repeated his statements, adding that nothing would be done in the matter except through me, and that he was prepared, if necessary, to sign an agreement to that effect. Having no confidence in any promise which Mr. Chaffee might make, I said I would see Mr. Angus, which I did the same afternoon. Mr. Angus confirmed in the main what Chaffee had said, adding that if, on the return of his colleagues, the Company should find it advisable to purchase the Portland and Ogdensburg properties—which they might be obliged to do so in self-defence—the negotiations would be conducted through me, as I seemed to understand all the questions connected with the business. He then questioned me about the different properties mentioned in my proposal of sale, particularly as to their suitability for the requirements of his Company. I repeated to Mr. Chaffee the substance of my conversation with Mr. Angus, and prepared the agreement for his signature, embodying what he had promised. This document Mr. Chaffee refused to sign, and returned it, stating that he and Barlow could not bind themselves officially; that the agreement covered too much ground, but that they would sign, in conjunction with the Canadian Pacific Company, a fair and reasonable agreement to the same end.

On June 28th, I wrote Mr. Duncan McIntyre, who had just arrived from England, the following letter:—

(Copy),

P O. Box 1109,

MONTREAL, 28th June, 1882.

DUNCAN MCINTYRE, Esq.,

Montreal.

DEAR SIR,

You will, doubtless, remember that, early in April last, I made you an offer of sale of the Portland & Ogdensburg Railway, &c., &c., through our mutual friend, the Hon. Peter Mitchell, and that subsequently I sought an interview with you for the same purpose, through Mr. Drinkwater, your Secretary, both of which you declined, for reasons given. Since you left for Europe, however, circumstances have arisen which rendered it necessary (in my opinion) for me to address Mr. G. Stephen on the subject, which I did on the 26th ult., after which I had an interview with him, and quite recently, in Mr. Stephen's absence, I had two other interviews with Mr. Angus on the same subject. These interviews, I venture to think, were somewhat important; and, under that impression, I take the liberty of asking you not to discuss the matter with interested parties here (whose names it is not, I presume, necessary for me to give you,) until after you have heard what Mr. Stephen and Mr. Angus have to say to you on the subject.

Yours very truly,

J. S. MILLAR.

On the following day, June 29th, learning that Mr. Barlow and his friends were still pursuing their intrigues in Portland, I wrote the following letter to Mr. Angus, and on the 30th left for Portland : —

(Copy.)

P. O. Box 1109.

MONTREAL, 29th June, 1882.

R. B. ANGUS, Esq.,

Montreal.

DEAR SIR,

Referring to our conversations in regard to arranging with Messrs. Barlow and Chaffee about the Portland and Ogdensburg Railway, &c., &c., as I anticipated, they have refused to put in writing (as they had promised) the arrangement they were prepared to enter into with me, viz., that I should negotiate for the purchase of these properties. I enclose a document which I prepared for their signature which they declined to sign, thus leaving matters just where they were from the first; and as I am advised from Portland that the same underhand work is still going on, notwithstanding Mr. Chaffee's assurance to the contrary, I leave for Portland to-morrow morning. There is a point beyond which I and my Portland friends will not allow these gentlemen to go.

I will not re-open negotiations with Messrs. Barlow and Chaffee on any other terms than those expressed in the agreement herewith. As far as concerns anything between you, your associates and myself, I do not ask for anything in writing; your word is sufficient for me; but if negotiations are not to be carried on through me, then the parties who carry them on must sign the enclosed or a similar agreement. If these parties give me this agreement, or if you and your associates wish me to act for you, I am prepared, whenever required,

to push on by myself, or assist in negotiating for the purchase on the best terms obtainable, and will furnish all the information in my possession relating to these properties. Should you wish to communicate with me, I will be found at the Cumberland Club, Portland, Maine.

Yours truly,

(Signed),

J. S. MILLAR.

When next I saw Mr. Angus I stated that Mr. Chaffee had told me he was glad I had brought up the subject of the purchase of the properties in question, because he had not been able hitherto to bring the Canadian Pacific Railway people to time, and that he did not want my "d——d old road" only for the Canadian Pacific; that he and Barlow would not sign anything unless in conjunction with the Canadian Pacific; and that if he (Chaffee) had known I had made an offer of sale of the Portland and Ogdensburg line, he and Barlow would never have stepped in between myself and my Portland friends, on the one hand, and the Canadian Pacific on the other. I told Mr. Angus, further, that I did not wish to do anything that would injure his interests, but that I was determined, if necessary, to expose the dishonest trickery of Barlow and Chaffee; that I knew Barlow's agents were at work in Portland, and that, unless they ceased their scheming and misrepresentation, I would take the only course open to me. Mr. Angus replied that he had no desire to act unfairly towards me; that his Company had not decided on doing anything, but that they might soon have occasion to send for me. I was afterwards approached by Chaffee, but I declined to talk with him. He informed me, however, that he and Mr. McIntyre were going to Portland to look over the properties. On 23rd July, the party, including Mr. Mitchell, were in Portland viewing the several properties. During the visit the manipulations were carried on entirely by Mr. Chaffee and Mr. Jose.

In conclusion, I would repeat that I believe the Canadian Pacific Railway must, in the very near future, obtain control of the Portland and Ogdensburg road, as well as of the Belt Line franchise, and the Dock property. It is for the people of Portland to put a proper estimate on the value of their property, and, before entering into any negotiations whatsoever for its disposal, to satisfy themselves that the parties desirous of treating with them, professedly on behalf of the Canadian Pacific, come duly accredited. Mr. Stephen and Mr. Angus, whose word is unimpeachable, say that Messrs. Chaffee and Barlow are not.

I have the honor to subscribe myself,

Gentlemen,

Yours very truly,

J. S. MILLAR.

